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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

AUG 22 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
Pacific Bell Petition for Rule- ) RM-8496  
making to amend Section 69.106 of )  
the Commission's Rules )

COMMENTS OF BELL ATLANTIC

Bell Atlantic<sup>1</sup> urges the Commission to grant Pacific Bell's Petition and initiate a rulemaking to permit a per-message call set-up charge in the local switching rate element, in addition to a per-minute usage charge.

As Pacific discusses in its Petition, the nature of the calls placed over the public switched network have changed dramatically since the Commission adopted the present rule in 1984, resulting in a higher percentage of shorter-duration calls.<sup>2</sup> This change in the types of calls combined with the widespread deployment of the Common Channel Signalling ("CCS") network, which has changed the relative costs of call set-up and holding time, require that the current rate structure be replaced with one that more accurately reflects the way the costs are incurred.

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<sup>1</sup> The Bell Atlantic Telephone Companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C., Inc.; and Bell Atlantic-West Virginia, Inc.

<sup>2</sup> Petition at 2-5.

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Realizing the potential impact of these changes, Bell Atlantic attempted to initiate a similar call set-up charge in 1989.<sup>3</sup> The problem is now more acute today than it was five years ago, as a result of the nearly-ubiquitous deployment of CCS and the widespread use of technologies that have reduced the average call length.<sup>4</sup> Prompt action to change the rule is, therefore, fully supported by Pacific's Petition.

The current local switching rate element does not differentiate between the fixed costs associated with call set-up and the per minute costs incurred when a call is in progress. Establishing a set-up charge will allow Bell Atlantic to revise its rates to ensure that the appropriate charges are imposed on the cost-causer and avoid uneconomic subsidies from those making longer-duration calls to those making shorter calls.<sup>5</sup>

Bell Atlantic's experience with a declining length of call has matched that which Pacific relates. This decline exerts upward pressure on local switching rates under the current rate structure. Accordingly, that structure does not serve the public interest, and the rule requiring it should be eliminated. Grant of Pacific's Petition and revision of the rule will allow Bell

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<sup>3</sup> Bell Atlantic Transmittal No. 310 (May 24, 1989). The Commission denied a waiver of the rules to permit a call set-up charge, saying that the issue should be addressed in a rulemaking. **Bell Atlantic Telephone Companies**, 4 FCC Rcd 7210 at ¶ 15 (Com. Car. Bur. 1989). Grant of Pacific's petition would begin such a rulemaking.

<sup>4</sup> **See** Petition at 3-5.

<sup>5</sup> Cost-causation has long been one of the Commission's guiding ratemaking principles. **See id.** at 7-8.

Atlantic to restructure its local switching element to be closer to costs.

More broadly, there should be no need for this proceeding. As Bell Atlantic has urged repeatedly, the current competitive environment requires comprehensive reform of the access charge rules.<sup>6</sup> Among other long-overdue changes, there should be no need for a rule waiver or modification simply to change the structure of switched access rates or to create a new rate element, as is now the case. The fallacy of the present requirements is particularly illustrated here, where the requested structure would be closer to costs and more consistent with the Commission's cost-causation policies than the existing structure.

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<sup>6</sup> *See, e.g.*, Bell Atlantic's Comments, NARUC's Request for a Notice of Inquiry Concerning Access Issues, DA 93-847, (filed Sept. 2, 1993); Comments of Bell Atlantic, Reform of the Interstate Access Charge Rules, RM-8356 (filed Nov. 1, 1993); Comments of Bell Atlantic, Price Cap Performance Review for Local Exchange Carriers, CC Docket No. 94-1 at 28 (filed May 9, 1994).

Accordingly, the Commission should promptly grant  
Pacific's Petition for Rulemaking.

Respectfully submitted,

**The Bell Atlantic Telephone  
Companies**

By Their Attorney

A handwritten signature in cursive script, appearing to read "Lawrence W. Katz", is written over a horizontal line.

Lawrence W. Katz

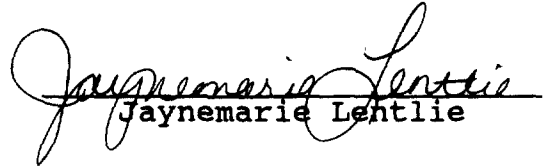
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August 22, 1994

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Comments of Bell Atlantic" was served this 22nd day of August, 1994, by first class mail, postage prepaid, on the parties on the attached list.

  
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